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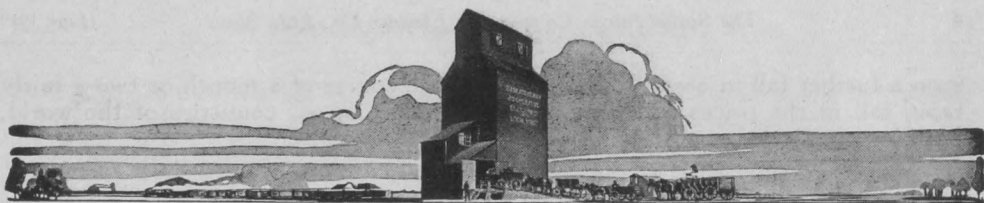
NO. 2

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## Editorial Notes and Comment

### **Price Prospects for the 1919 Wheat Crop**

The need of action by the Federal Government to ensure the most favorable conditions for the marketing of the Canadian wheat crop of 1919 receives added emphasis every day as information is received concerning the preparations made by the United States Wheat Director for the disposal of the record surplus now in prospect and the organization of the European nations for economical purchase of food supplies. An extended review of these circumstances and of their bearing on the fate of the Canadian crop in the world's market, appears elsewhere in this issue. Those who concern themselves with such problems display some impatience at the apparent inaction of the Canadian Government in a matter of such vital national importance. Although Parliament has been in session for many weeks as this comment is written there has been no intimation of action proposed beyond the announcement by the Minister of Agriculture, the Hon. T. A. Crerar, of his opposition to the proposal that the price be fixed. It is to be assumed, however, that the matter is receiving the serious attention of the cabinet and that Canadian agriculture will not be allowed to suffer serious loss through the failure of the Government to make adequate provision to meet the extraordinary conditions in which this crop must find its way to the ultimate market. It may be that definite announcement of steps to be taken will be made before this issue of *The News* reaches the reader.

It would be a mistake to assume that because American authorities responsible for the handling of the crop have recently given out statements tending to suggest that world needs will be such that the huge surplus can be disposed of without difficulty, therefore there is no need for governmental action to ensure favourable market conditions. The statements of such men as Mr. Barnes, the Wheat Director, must be read with an eye to the consideration that he is a salesman, fully determined, as he has intimated in the plainest terms, that every means shall be used to make the European purchaser pay for American wheat a figure which will cover the price guaranteed to the American farmer. Not long since British journals carried a detailed survey of world conditions and probable price movements by Sir James Wilson, the eminent British authority, who gives no encouragement to the view that the huge exportable surplus in contemplation on this continent will be readily disposed of at the price which Mr. Barnes hopes to realize. The conclusion which this authority states is that "There is likely to be a strong competition between the exporting countries to get rid of their embarrassing surpluses," and that the United States "will find it difficult to keep up the price." "Unless the world's weather proves unfavourable," says Sir James, "or the present unrest in Europe spreads seriously, there seems likely to be very

soon a further fall in ocean freights, and in the course of a month or two a fairly rapid fall in the prices of wheat in most of the "open" countries of the world, both importing and exporting."

### **Shipping and Wheat Prices**

In this connection it is interesting to note a recent statement by Mr. G. H. Roberts, the British Food Controller. The occasion was some criticism of the British Government for its policy of maintaining the control of the trade in cereals. Mr. Roberts stated that the high prices obtaining in Britain were due, not to shortage in the total supply, but to the dearth of ships and to difficulties arising in the matter of finance. Of the condition of the market as then viewed from the United Kingdom Mr. Roberts said: "The truth is that there is not sufficient tonnage in the world at present unless supplies are largely drawn from the nearest source. As you know, the nearest source is America; unfortunately, also, it happens to be the most expensive. \* \* \* The relatively low price of cereals in the Argentine is mainly due to finance and tonnage not being available for handling the exportable surplus. If finance and tonnage were available the price would rise. \* \* \*"

When the time for marketing the 1919 crop of this continent approaches the shipping problem should be less acute. Both by the launching of new tonnage and the release of existing tonnage from demands incidental to the period of demobilization, the possibility of drawing upon the cheaper wheat markets will be increased. Supplies now cut off may be expected to reveal a rise in price, but it seems at least likely that the expectation of British purchasers will be realized in a general levelling of price by reduction on those stocks which are now being purchased because they are nearest. This consideration serves to emphasize the need of action on the part of the Canadian authorities to ensure fair play to the Canadian producer in conditions which promise to be keenly competitive. It will be remembered that the ability of the United States, almost alone among the great exporting countries, to extend large credits, is the factor upon which Mr. Barnes relies to maintain a selling price which will protect the United States Government from loss on its guarantee to the American farmer. And it will be noticed that the statements from Great Britain indicate an uneasy sense of the leverage which the United States is thus able to exercise.

### **The Trouble in Winnipeg**

The trouble of which Winnipeg has been the centre during the last few weeks and which is seething in every city throughout the country, must be regarded with grave anxiety by all who appreciate its real significance. The employees of some two or three concerns were unable to reach an agreement with their employers in certain disputed matters. This dispute was made the pretext of a general strike in which more than 30,000 persons became directly involved. The strike committee assumed control of practically all activities within the community and 200,000 persons were called upon to relinquish the common rights of free citizens. Men, women and children who had not the remotest responsibility in the initial dispute were threatened with the most extreme hardship. Street cars ceased operation, delivery of mail, express and freight was stopped, water pressure was reduced so that only the smallest dwellings could be served, the city was cut off from communication with the outside world except such as might be established through travellers, and even food was available only in limited quantities and by permission of the strike committee. Since those early days of the demonstration the great body of citizens having no responsibility or direct concern in the initial dispute have organised in their own defence and some at least of the elementary conditions of safe and decent living have been restored.

As events have developed it has been made clear that the trouble was something different from, and much more serious than, a strike undertaken to secure



by legitimate means a betterment of the conditions of industrial workers. Stated baldly, its object was revolution. It is not to be supposed that this was the desire of all the workers engaged in the movement. It may be assumed that if there had been from the first a general appreciation of the directive forces of the strike and of the consequences which must follow if these forces achieved their object, it would have received less support. It seems certain that discontent in their own ranks as much as the growing strength of the Citizens' Committee organized against them, have operated to moderate the declared aims of the little group of men who engineered the movement. The declarations which they made in the first days when the community, caught in a state of complete unpreparedness, lay helpless within their grasp, exhibited a very different spirit and showed very clearly that they contemplated the complete overthrow of the present form of Government in Canada and the establishment in its place of a form of class tyranny similar to that which has been made familiar to the world by the Bolshevik regime in Russia.

While other cities have been infected with the trouble which started in Winnipeg there is reason to believe that the sound common sense which is no negligible factor in the labour movement is beginning to assert itself. The right of labour to organize and to use the weapon of the strike cannot be questioned. It must be obvious to thinking labour men, however, that such abuse of the power of labour organizations as the country is now witnessing in Winnipeg must recoil upon labour to its own hurt.

### **The People and the One Big Union**

Behind the strike is the attempt to establish what is termed the One Big Union. Stripped of all camouflage this means nothing more nor less than the establishment of a labour organization which, in the event of any dispute between employer and employee in any part of Canada, could exercise a cruel punitive force against the people of every community in Canada. Fortunately, evidence is not wanting to show that many powerful labour unions have already realized that this would involve an intolerable abuse of power. It is to be hoped that the lesson of the attempt now being made in Winnipeg will not be lost upon those labour men who did not so early realize its implications. Meanwhile, the partial paralysis of the



Before the war. Russian grain ships passing through the Bosphorus on their way to Western Europe.

industrial life of the country can serve only to aggravate those economic problems which are the outcome mainly of war-time conditions and which can be alleviated only by a speeding up of all forms of productive effort.

### **Farmers and War Profits**

Part of the protectionist propaganda at the present time is devoted to the suggestion that the farmers have made big profits during the period of the war and are therefore scarcely entitled to a hearing when they ask for downward revision of the tariff. Throughout the recent discussion of the proposal for a fixed price on the 1919 wheat crop that section of the press which is inspired by the protected interests persistently referred to the demand for a fixed price as a request for the continuance of special privileges enjoyed during the war. An effort was made to confuse the public mind and obscure the fact that the price was originally fixed and maintained in the interest of the European consumer and that its effect was to limit the profits of the Canadian farmer and to mark agriculture as the one industry in which profits were so restricted by governmental action. Thus it was hoped that the public would think of the farmers as having benefited greatly by the war and might be persuaded that their proposals for fiscal reform were merely selfish schemes which sought profit at the expense of other interests in the community. The Canadian Manufacturers' Association is seeking to create a similar atmosphere for the tariff controversy now pending. An example of its method is to be seen in the following extract from one of those advertisements with which recently it filled whole pages of the newspapers in every city of the Dominion:

"What justifies the grain growers in demanding that their personal grievances be cured at the expense of the rest of the country? Are they in a desperate position? Have they been losing heavily? Are they suffering from too much adversity or too much success?"

In the House of Commons very recently Sir Thomas White, replying to questions put by Sir Herbert Ames, made public certain facts which afford interesting comment on the performance of the Canadian farmer in the role of war profiteer. The Finance Minister told the House that of the persons giving their vocation as farmers or stock raisers the total number assessed for income tax under the Act of 1917 was 5,885 and the amount assessed \$417,349.10. Of these it should be noted that a large number would be persons who, while living on farms during part of the year and calling themselves farmers, derived their income from other sources. Of the more than one hundred thousand farmers in Saskatchewan the number assessed was 1,084. So much for the vast profits accruing during the war to the producer in Canada's greatest productive industry!

### **Manufacturers and the Canadian Budget**

The lavish expenditure of the Canadian Manufacturers' Association upon its recent "educational" campaign may be accepted as evidence that the protected interests are worrying about the provisions which may be included in the Budget. Whether they have reason to worry, or whether they have been able to secure, at the hands of the Government and at the expense of the masses, that consideration to which they have been too long accustomed, will be known before this issue of *The News* reaches the reader. In the meantime every effort is being made to suggest that the slightest concession to the growing demand for downward revision of the tariff and an increase of direct taxation could have only the most disastrous results. The problem with which the budget must deal is admirably stated in a pamphlet recently issued by The Canadian Council of Agriculture, entitled "Where Ought the Revenue to Come From." From the facts there set forth it appears that, while Great Britain and the United States during the war placed the burden of taxation directly upon that part of their populations most able to bear taxes,

the Canadian Government took the bulk of its revenue from the common people, by taxing the things they ate and wore and used for the purposes of production. To quote from the pamphlet referred to:

"The statesmanship of Canada is revealed through the figures that have been quoted here. In the four years from 1914 to 1918, Canada met only 6 per cent. of the direct principal cost of the war out of surplus revenue, as against 20 per cent. by the United Kingdom (34 per cent. in the past year ended March, 1919) and 44 per cent. and 42 per cent. respectively in the first and second year's participation in the war by the United States. While Canada's neighbours, Great Britain and the United States have insisted upon a "pay-as-you-go" policy, the Financial administration of this land has failed to get the revenue it could have got, and which the war-time prosperity of Canada would have made easily procurable, and as a result leaves the financial burdens of the war to posterity,—to the further generations of the masses, which not only provided men for that war, but maintained them with their taxes as well."

During the war the Canadian Government borrowed more than 1,400 million dollars from the people of Canada. This amount is exempt from taxation, although it will bear interest for ten, fifteen and twenty years at 5½ per cent. Under pressure of rising living costs this war stock is passing out of the hands of the small investor into the hands of the big financial interests which have profited from the war and who will now, with respect to this capital, enjoy complete immunity from taxation.

The annual interest obligation of the Dominion will amount to fully 100 million dollars more than it was necessary to raise in 1913. And the Canadian Manufacturers' Association asks in all its campaign literature "Where will the Revenue Come From" if the tariff is subjected to downward revision? The pamphlet issued by The Canadian Council of Agriculture supplies the answer, and although it is evidently not a pleasing one to the manufacturers and financial interests, the Government may anticipate no little trouble if it does not give heed to it:

"The Government failed to tax incomes and business profits during the war as it should have taxed them. Let the Government collect that revenue now, which it should have taken in the past four years. Let the example of the United States in reversing the proportion of its taxation on consumption from 83 per cent. to 31 per cent. be followed in Canada. Let the Canadian Government exercise as much sympathy for the vast mass of her 8 million of population, as for the combined capitalistic interests of a privileged few employers and financiers. Take the revenue from those who enriched themselves during the war. Investigate the holdings of war stock as they propose to do in England. Tax the returns from capital, and tax incomes in a way that will bring fair pressure on large and small incomes alike. Make it possible and attractive for new people to enter Canada and help develop her stores of natural wealth. Place the tax on the shoulders of him who can best afford to pay it. Leave the bread and raiment of the populace alone."

### **Wages in Protected Industries**

A feature in the campaign of organized humbug in which the Canadian Reconstruction Association does the star turn is the claim of the manufacturers that high tariffs enable them to pay high wages to industrial workers. A very large part of the advertising of this body, if taken at its face value, would suggest that the manufacturers might be able to regard a downward revision of the tariff with equanimity but for its supposed effect upon the wage of the worker. These pretensions are not without their effect in urban centres because—as a prominent labour leader in Toronto recently confessed from the public platform—labour men have given little thought to the effect of tariffs upon the lot of the industrial worker, and have been content to accept their economic doctrines in this field from their employers. And their employers, whenever there is talk of tariff reduction, muster the labour vote to their support by talk of closed factories and lowered wages. Sir John



Willison recently announced in *Industrial Canada* that the propaganda of that body was being conducted in part through the pay envelope of the industrial worker and lately we hear of petitions against tariff revision which such workers, thus persuaded by their employers, have "voluntarily" signed.

In the last few years there have doubtless been considerable advances in the wage scale of most industrial establishments. It is even possible that investigation might show in some instances an actual increase as distinguished from the relative increase in response to increased living costs. When this has occurred, however, it has been due to the one factor which operates in favour of improved wage conditions—namely, the shortage of labour. The industrial worker should understand, however, and eventually must see, that the first effect of a protective tariff is to advance the price of the protected commodities and thus to lessen the purchasing power of the dollar, so that, even when it is true that the worker in a high tariff country receives more dollars, his dollars will buy less than they would buy under a condition of free exchange.

But what of these munificent wages paid by the protected manufacturers of the Dominion? The Monthly Bulletin of Agricultural Statistics for May, issued by the Dominion Government, affords the material from which conditions in one such industry may be judged. The Bureau of Statistics, it appears, has just completed a preliminary survey of the agricultural implement industry in Canada for the year 1917. The census covered ninety establishments. The total number of different individual wage earners on the pay-roll in 1917 was 24,895. From a total summary of 10,051 wage rates it was found that 1,118 were paid from \$12 to \$15 per week; 4,271 from \$15 to \$20 per week; 2,033 from \$20 to \$25 a week and 1,163 at a rate over \$25 a week. The balance, which would number 1,466, were paid at a rate below \$12 a week; and the average amount paid to wage earners in 1917, raised by the inclusion of highly paid skilled workers and executives, was \$838. It is not difficult to imagine that a great majority of those who live so near the margin of subsistence, being told by their employers that worse conditions must follow tariff reduction, could be persuaded "voluntarily" to sign petitions against tariff reduction.

### Protection and Great Britain

In the campaign which the organized manufacturers are conducting against all proposals for revision of the Canadian tariff much is made of a supposed change in the attitude of Great Britain towards freedom of trade. Thus the Canadian Reconstruction Association, in one of its appeals declares that "Protection is today the keynote of international trade preparations", and as evidence supporting this declaration states that "Great Britain is restricting imports and protecting home industries." And *Industrial Canada*, the organ of The Canadian Manufacturers' Association, in an article published in the May issue which pretends to review the history of the tariff in Great Britain, says: "It is most significant to note that with the close of the war Great Britain adopted the most complete protection that has ever been adopted in any other country. This protection amounts to almost prohibition of imports from other countries. The only modification permits the importation of goods from the British Dominions."

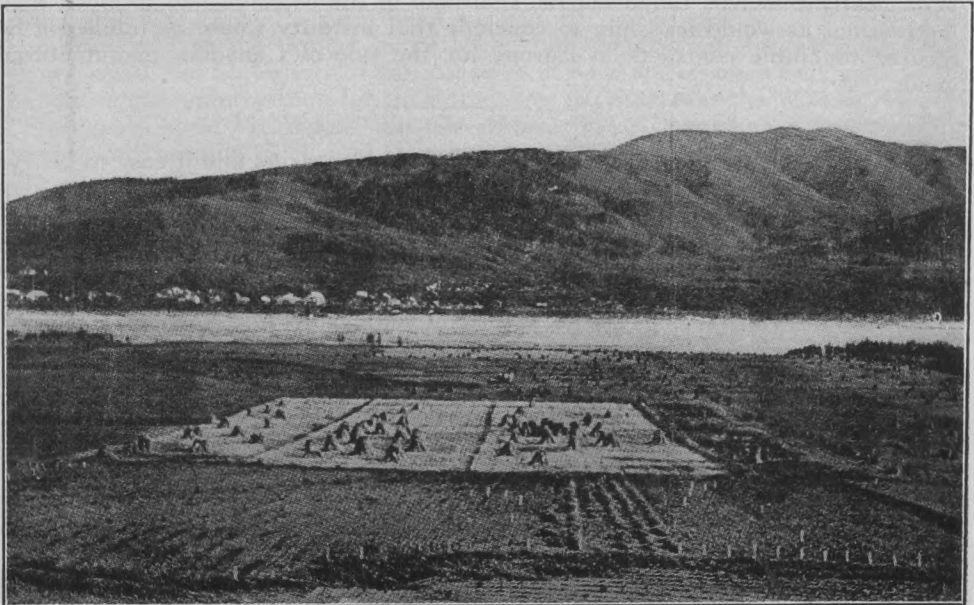
Now *Industrial Canada* knows quite well that the restrictions upon imports which Great Britain is now imposing do not represent in any sense a departure from traditional British policy. This is demonstrated by the explanatory statement recently presented to the British House of Commons by Sir Auckland Geddes. With a strange disregard for consistency *Industrial Canada* publishes this statement on another page, thus itself providing its readers with all the material needed to give the lie to its editorial assertions. The minister reminded the House that the country was still at war, that it was maintaining a blockade against the enemy and that it faced the difficulty still of maintaining that blockade which erects barriers in the area of neutral countries. Another consideration which had obliged the Government to regulate imports was the chaos which must prevail if,



without this or some similar provision, the Government suddenly stopped altogether those enormous expenditures which had provided work for hundreds of thousands during the period of actual warfare. Of the policy to which the Government had thus been forced he said: "This is not the peace policy; it is the transitional policy, and what I am saying now is without prejudice to any policy which may or may not be arranged with regard to the permanent policy. This is a transitional policy and the period taken for the transitional policy will, we hope, come to an end on the 1st of September." So much for the attempt to suggest that the protectionist faith has been embraced by the people of Great Britain.

### **Imperial Preference**

A far better indication of the temper of the people of Great Britain in relation to protection is to be found in the measure of Imperial Preference included in the recent budget. The British Government is still a Coalition Government and it includes many who would welcome a radical departure from traditional British policy. It attained power, however, by support which was given without thought of tariff policies, having regard solely to the terms of peace. The new measure of Imperial Preference to which it has committed itself is little better than a sop thrown to the Imperialists. It was strongly opposed by the group of Asquithian Liberals who, in such a matter, represent a body of opinion not to be estimated by the number of seats which these members secured in the House in a khaki election. They opposed it, however, not as a measure of importance in itself but as "the thin end of the wedge of protection." The preference is given to the overseas Dominions on a very limited list of imported articles on which duties are now levied. Commodities affected are tea, cocoa, rum, cotton, sugar, tobacco and alcohol. The preference is in most cases a remission of one-sixth of the customs duties, and applies in every case to the existing duty save with respect to spirits, the duty on which has been raised in anticipation of a preferential rate equal to one-third of the duty. There is also to be a preference on manufactured articles limited to clocks, watches, films, automobiles and musical instruments. Despite the enthusiasm with which the arrangement has been greeted by some Canadian spokesmen, it does not appear



Fields at the Experimental Station, Alaska, in 1916.

that the Dominion can receive any benefit unless by some slight increase in the quantity of Canadian tobacco which finds its way to Great Britain. It is not improbable, however, that Canada may suffer some harm from the arrangement by its effect upon her trade relations with the United States. A hint of this is conveyed in a report which Sir John Willison recently sent from Washington, where he has been engaged in the study of the attitude of the Republican party towards trade relations with Canada. As president of the Canadian Reconstruction Association he views with equanimity the prospect of tariff changes which will check the important and growing movement of Canadian agricultural exports to the United States. Others will regard with very different feelings his forecast that "an outstanding feature of the new tariff will be the protection which it will extend to agricultural products." He adds: "The reciprocity agreement of 1911 with Canada is no longer acceptable to the Republican party, and probably not to the United States as a whole. Tariff preference within the British Empire is beginning to receive real attention in the Republic and will meet with opposition," although he believes that ultimately it will be accepted as "an intra-Empire policy in which no foreign country has any right to interfere." So we have the possibility that, although Canada derives no advantage from the new Imperial Preference she may suffer very real disadvantage from retaliatory measures which the United States may adopt. If this should happen no one need be greatly surprised. Every attempt to interfere with the normal course of trade invites reprisals from those who may suffer by such interference. It is thus that the protective principle works and in the mood of aggressive nationalism in which nations invariably emerge from war each new application of the principle is doubly provocative.

### **The Sale of Canadian Wheat to Greece**

The announcement that arrangements have been completed, through the Canadian Trade Mission, for the sale of twelve million bushels of Canadian wheat to Greece, will be welcomed as an indication that the Mission, which, by the confession of its chairman, noted elsewhere, has devoted its attention mainly to the sale of manufactured goods, is at last exerting itself to secure markets for agricultural products. Information secured by Mr. Norman Lambert, secretary of the Canadian Council of Agriculture, while in London early in the year, showed very clearly that Mr. Lloyd Harris, chairman of the Mission, had received such instructions as would lead him to conclude that his duty would be fulfilled if he secured favorable contracts in Europe for the sale of Canadian manufactured goods.

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"Those who are specially interested in protective tariffs find it easy to believe that protection is of general benefit. The directness of their interest makes them active in spreading their views, and having control of large means—for the protected interests are those in which large capitals are engaged—and being ready on occasion, as a matter of business, to spend money in propagating their doctrines, they exert great influence upon the organs of public opinion. Free trade, on the contrary, offers no special advantage to any particular interest, and in the present state of social morality benefits or injuries which men share in common with their fellows are not felt so intensely as those which affect them specially." *Henry George.*

## The Canadian Government and the 1919 Wheat Crop

The inaction and silence of the Federal Government with respect to arrangements which may be made for the marketing of the wheat crop to be raised in the season now begun must remain among the inexplicable problems. As this article is written Parliament has been in session for thirteen weeks. More than one attempt has been made to ascertain the plans of the Government. The net result of such efforts, however, is the announcement by the Minister of Agriculture, the Hon. T. A. Crerar, of his opposition to the proposal of a fixed price and an assurance given by Sir James Lougheed, Government leader in the Senate, that the Government recognizes the importance of the problem and has been giving special attention to it for some time, "assisted by the Trade Commission and special representatives in Europe." It is not to be supposed that the Government can intend to do nothing to meet the unprecedented conditions which Canadian agriculture must face when its product approaches the market next fall; the relation of this problem to the economic well-being of the Dominion is too vital to permit of such neglect. But, meanwhile, the very gravest concern possesses the minds of all who appreciate the seriousness of the situation and care for the interests of the grain grower, and it is difficult for all such to regard the inaction of the Government without impatience.

The Hon. Geo. Langley, Minister of Municipal Affairs in the Saskatchewan Government and Vice President of this Company, was quoted in a Canadian press dispatch from Ottawa, on May 6th, as saying that in relation to this problem the country is "drifting towards chaos." In this interview he voiced the demand which now comes from many quarters that the Government assume full responsibility for the marketing of the 1919 crop.

Mr. H. W. Wood, president of the United Farmers of Alberta, in a statement given to a Calgary newspaper on the same day, was even more emphatic in his demand for a clear assurance of the Government's intention to safeguard the interests of the country's basic industry in this critical time.

"If the present prospects are fulfilled," said Mr. Wood, "the harvest of the present season will be the greatest in our history, and exactly for this reason it is our duty, and of the utmost importance, that steps should be taken to insure that it shall find an outlet. I can conceive of no more serious crime against the people of this country than for the authorities to fail to take the necessary steps." "Perhaps,—" said Mr. Wood, "the Government have a plan, but, if so, I certainly have heard nothing of it, and it is of the utmost importance that the farmers should be reassured in this matter. The vital interests, not only of the farmers, but of the whole community, are bound up in agriculture."

Reference has been made to the assurance, given by Sir James Lougheed in the Senate on April 30th, that for some time the Government had been giving special attention to the problem, "assisted by the Trade Mission and special representatives in Europe." Earlier official statements respecting the work of the Trade Mission had undoubtedly done much to allay the general concern in this matter, the public receiving the impression that this body, of which Mr. Lloyd Harris is Chairman, was not less busy in efforts to secure markets for the Canadian wheat crop than to obtain foreign orders for Canadian manufacturers. The information brought back from Europe recently by Mr. Norman Lambert, secretary of the Canadian Council of Agriculture, conveys, however, an impression very different from this and profoundly disturbing. In the course of his report, made public during this present month of May, Mr. Lambert, speaking of his visit to London, says:

"As the Canadian Council of Agriculture and the Winnipeg Grain Exchange both had submitted to the Canadian Government the names of men to be appointed



to the Trade Mission, I naturally sought Mr. Lloyd Harris to see what he thought about his two new colleagues, (Mr. J. A. Maharg, M.P., representing the organized farmers, and Dr. R. A. Magill, representing the Winnipeg Grain Exchange). I found that he was entirely at a loss to know the status of the representatives from the west. He produced a copy of the Order in Council appointing him as Chairman of the Trade Mission, and pointed out the provision which stated that additional appointments to the Trade Mission were to be made by Order in Council, and only upon the recommendation of the Chairman, Mr. Lloyd Harris. It was quite clear, therefore, that our representatives from the West, whatever they might be in London, were not members of the Trade Mission. Later, the Orders in Council appointing J. A. Maharg and Dr. Magill to go to England at the expense of the Dominion Government indicated that they were advisers to the Government in matters relating to trade in grain. Mr. Harris said also that he knew nothing about the exact status of Dr. J. W. Robertson, who was busily engaged in attending to trade in all kinds of foodstuffs. He also expressed the desire, now that all these men were in London, to co-operate with them in the best interests of Canada as a whole. He quite frankly declared that he had not been concerning himself with food, but had been busy mainly in ascertaining the condition of affairs in the United Kingdom and in Europe with regard to manufactured products. Later, I believe, Dr. Robertson, who in February, was appointed to the Supreme Economic Council in Paris as Canadian representative on that body, became more or less affiliated with the Trade Mission in handling affairs relating to foodstuffs. The Trade Mission, however, is really an organization to develop trade in Canadian manufactured goods in Europe and thereby to create renewed activity in those Canadian plants which have been rendered idle through the sudden ending of the munitions industry."

Other statements contained in Mr. Lambert's report suggest that the Western delegation was by no means fortunate in its efforts to obtain information necessary to an intelligent appreciation of the wheat marketing problem. Mr. Lambert says:

"When Dr. Magill, Mr. Fisher and Mr. Maharg arrived in London, we formed a Western group which proceeded, with Dr. Magill as chief spokesman, to secure all available information about prospective plans for handling Canadian grain. We met Sir George Foster and also had three interviews with the Royal Commission on Wheat Supplies, which organisation purchased and distributed grain from all parts of the world for the Allies and several neutral countries, during the war. Sir George Foster agreed to a suggestion by Dr. Magill that he (Dr. Magill) and myself should constitute a committee to prepare a memorandum in the form of a state paper to be tabled at Ottawa, embodying complete information about the handling of Canadian grain by the Royal Commission on Wheat Supplies. This enabled us to approach the Royal Commission at least on a semi-official basis. The state paper, however, was never completed, because it was impossible to secure from the Royal Commission on Wheat Supplies all the information we desired. A list of questions which was the basis of the desired memorandum was presented to Lord Crawford and Balcarres, the Chairman of the Commission, and he immediately offered to answer them. His memorandum was not finished before Dr. Magill, Mr. Fisher and Mr. Maharg left London. I received a copy of it just before returning to Canada on March 1st and understand that one had also been sent previously to Dr. Magill."

The outstanding feature of this memorandum, says Mr. Lambert, is Lord Crawford's statement respecting the financing of grain products by the United Kingdom, as follows:

"In September, 1917 difficulties arose with regard to the financing of Canadian wheat for export to the Allies. Negotiations were therefore entered into by Lord Reading and Sir Thomas White, and an arrangement was come to by them whereby the Canadian bankers agreed to find \$100,000,000 for the purpose of financing



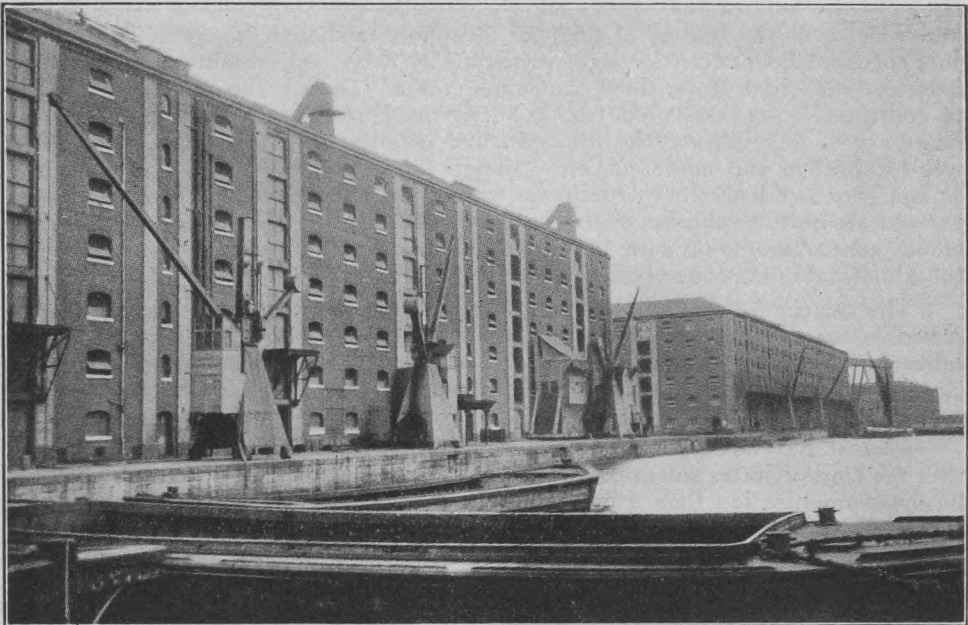
Canadian wheat for export, and the United States Treasury agreed to lend to the British Government for the purpose of financing Canadian wheat for export, up to \$250,000,000. During the year ending August 3, 1918, the United States Treasury did, in fact, find about \$170,000,000 for the purpose of financing Canadian wheat for export to the Allies." \* \* \* \* " With regard to the current season, so far as the Royal Commission is aware, the Canadian shipments have been financed from Canadian sources."

Dr. Magill and Mr. Lambert were told by Lord Crawford that it was then impossible "even to hazard a remark about handling the Canadian crop for 1919 and 1920."

"Not being able," says Mr. Lambert, in the closing paragraph of this section of his report, "to get any further satisfaction regarding the prospective plans for handling the 1919 crop, Dr. Magill, Mr. Fisher and Mr. Maharg left London at the end of January; and, before they had sailed, I had gone to Paris."

In view of the fact that the United States Government has assumed control of the marketing of the 1919 wheat crop of that country, Mr. Lambert's remarks about the probable continuance of control for purchase by the European countries makes it doubly difficult to understand the apparent reluctance of the Canadian Government to adopt similar measures of control in the interests of its primary industry. To quote further:

"Upon my arrival in Paris I met Sir Robert Borden and Sir George Foster, and related to them the results of the interviews between the Western men and the Royal Commission on Wheat Supplies in London. They did not seem to be very much pleased with the uncertainty of the outlook so far as Canada's trade in cereals was concerned; and Sir Robert said that he would arrange a meeting between the Canadian Ministers and Sir John Beale, the next day. Sir John Beale was chairman of the Royal Commission on Wheat Supplies, and in addition to understanding the international situation in Europe through the committee of Supply and Relief, was thoroughly acquainted with the grain situation in Canada and the United States. I was invited to attend the conference with Sir



Grain warehouse at Millwall Docks, London, England.

John Beale, and his assurances to the Canadian Ministers on that occasion were (1) that the balance of Canada's wheat crop of 1918 would be absorbed entirely and (2) that in so far as he could say at that time the Canadian crop of 1919, in common with the crops of every other country, would be free to find buyers wherever possible in the world's market. In other words, Sir John Beale said that he thought the world's markets would be decontrolled so far as the crops of 1919 were concerned. Following the conference with the Canadian Ministers, Sir John told me that his idea of the Supreme Economic Council was that it would bring about decontrol in relation to European trade as soon as possible. He said that the blockade would be lifted on the Mediterranean by February 25, and that British shipping would be free to go where it liked after March 1. Both of these developments occurred just as he said; but unfortunately the Supreme Economic Council in its work of giving relief to Europe found later that shipping had been decontrolled too quickly. One of the acute problems confronting this inter-allied organization at the present time is to secure a sufficient amount of tonnage to carry out the food programmes of the Allies and liberated countries, not to speak of meeting the increasing want of Central Europe.

"While the Supreme Economic Council which now has power to dispense supplies of food, raw materials and all kinds of products entering Europe as well as to deal with questions of blockade, shipping and finance, was appointed only for the armistice period, it would appear now that developments in Europe point to some sort of continued co-operative control of trade even after peace is declared. Continued control of trade amongst the present allies for an indefinite period seems inevitable (1) because of the very acute physical wants that must be satisfied or partially satisfied in Central Europe; (2) because of the necessity of controlling shipping to ensure transportation of supplies; (3) because of the absolute lack of the necessary finances in the European enemy countries as well as in Roumania and the new Slavic states which are being carved out of the old Austrian kingdom, to pay for supplies from outside; (4) because of France's complete economic disorganization, which would place her again at the mercy of Germany if co-operation through such an inter-allied organization as the Supreme Economic Council is not continued; and (5) because in the case of food, the United States will have not only the bulk of the world's supply but also the preponderance of influence and weight, in the matter of finance. In short, although Sir John Beale early in February pronounced strongly in favour of decontrol, conditions which have been revealed in Europe since that time, would indicate the absolute necessity of continued co-operative control in supplying Europe with food and materials necessary to rehabilitate the impoverished peoples of that continent. Control was established and made efficient through the abnormal demands of war time. It has been suddenly revealed to the world that conditions in Europe following the war are quite as abnormal as during its progress. It remains to be seen whether or not control can cope with the abnormal conditions of peace as well as it met the abnormal conditions of war."

The danger for Canada lies in the prospect of American competition in the scramble for a place in the European markets and to this must be added the influence of controlled purchase in Europe which, exercised in the interest of the European consumer, may easily be unfavourable to the interest of the Canadian producer.

Protest has already been made through *The News* against the assumption that the United States will appear in the market in a role which will be less that of a business organization than a benevolent agent, eager to supply the food needs of the European nations at a minimum of cost to the beneficiaries. The United States expects to have the largest exportable wheat surplus in its history and there is a prospect that the surplus available on this continent will be such that, with supplies to be procured elsewhere, wheat may be a drug on the market. The United States also has guaranteed payment on the basis of \$2.26 per bushel for every bushel raised, and intends to use every means in its power to exact that

price from the purchaser. But, when the immense volume commences its movement towards the ultimate market it must be kept in rapid motion through the limited facilities for transportation, so that the whole of the guaranteed crop may be out of the path of the succeeding crop. Sweeping reductions in price are, in these circumstances, not improbable; and, to quote from a recent article by Mr. Sanford Evans: "Unless abnormally unfavourable weather ensues before harvest time, international commerce will never before have known, or even imagined, a competitor possessed of such enormous stocks under single control, with such extraordinary authority for exerting pressure in selling, and yet under such urgent necessity for disposing of its supplies within twelve months."

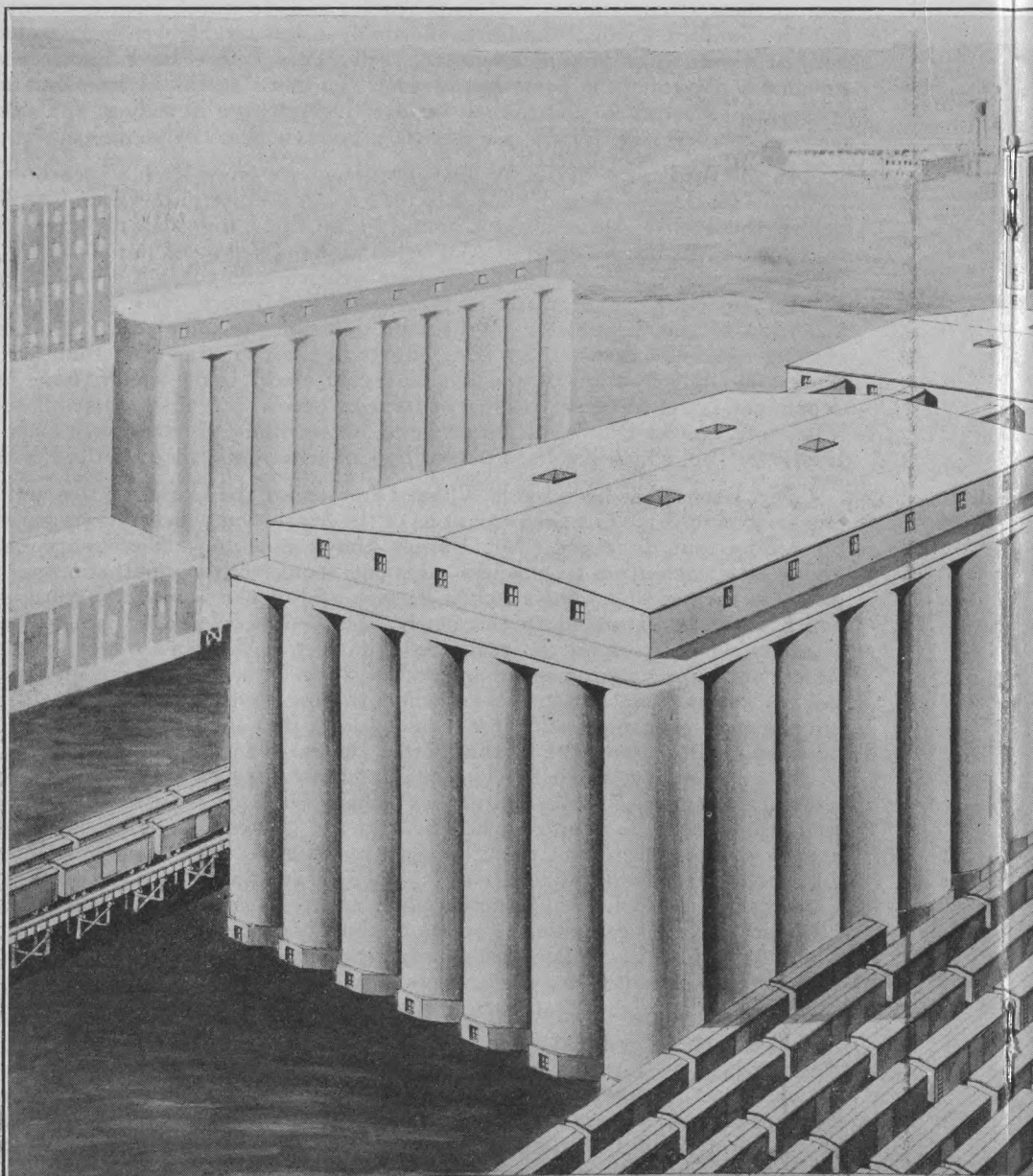
In the April issue of *The News* quotations were given from a speech delivered by Julius H. Barnes, then president of the Food Administration Grain Corporation, before the House Agricultural Committee of the United States Congress. In that speech Mr. Barnes expressed his belief that the European purchasers of American wheat should be made to pay a price which would cover the guarantee given by the American Government to the American farmers. Mr. Barnes drew the attention of the Committee to the fact that the financial strength of the purchasing nations, exhausted by their efforts in the war, was such that the United States, by its operation of the machinery of credit upon which they would be dependent, could force acceptance of its own terms. He urged that all necessary legislative provision be made to this end, his recommendations were embodied in the Lever Bill, which has been passed by Congress and signed by the President.

Mr. Barnes has been made Wheat Director for the United States and is fully empowered to carry out the provisions of the legislation which was prepared under his advice and direction. Mr. Barnes knows how to talk of sentiment while giving strict attention to business. He can speak with sympathetic appreciation of the sufferings of famine-stricken Europe and of the "brotherly consideration" which must be extended to the newly liberated peoples and can declare, with sincerity which need not be suspected, that "it is Heaven's direct blessing that American crops do promise to meet this strain of world obligation." But Mr. Barnes knows that nations; even when trading in food that is sorely needed, are engaged in business and he does not forget that it is his task to conduct this business to the advantage of the United States. He is not afraid to speak also of the opportunity which the United States now has to "make secure her commercial dominance." His attitude as Wheat Director is in no respect different from that which he adopted when he told the United States legislators that the agency created to market the 1919 crop must use every means to exact the full guaranteed price from the purchaser. Since his appointment to the office of Wheat Director he has delivered several public addresses in which this is made clear. Early in May, for example, he spoke to the Chamber of Commerce at St. Louis. The language which he used there was very much that of the man of sentiment, but the man of sentiment was not less clearly revealed as subservient to the man of business. A brief quotation from this address will serve to illustrate his attitude:

"For another year at least we must extend the same brotherly consideration to the newly liberated peoples—striving to secure a firm footing in the world of opportunity. We must continue to be their big brother—helpful, resourceful and generous. Toward our former Allies we must maintain the same attitude of fair and helpful consideration. Their problems are stupendous—exceeding our own. The fortunate plenitude of our farm yield must be shared with them on a fair and just basis, not necessarily a charitable one" \* \* \* "The re-establishment of normal production and the ordinary activities of life which spell content is the most pressing problem in Europe today. We can contribute fairly to it and at the same time, without injustice, make secure our commercial dominance.

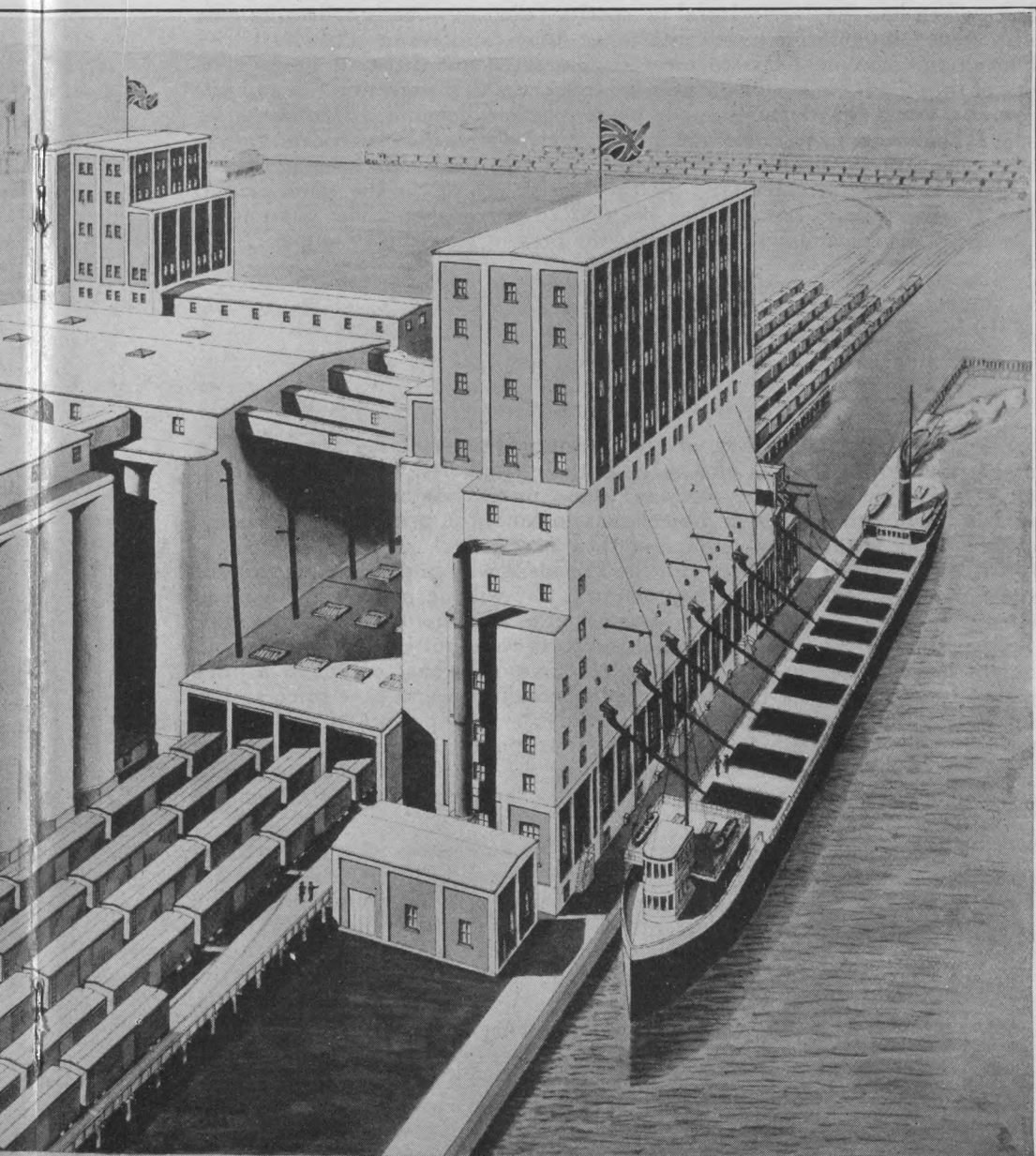
"Since when has it become sound national economics to sell a national surplus at less than the fullest fair price that may be obtained?





GRAIN ELEVATOR PLANT FOR SASKATCHEWAN CO-OPERATIVE





IVE ELEVATOR CO. LTD. AT PORT ARTHUR. ONT;

C.D. HOWE & COMPANY.  
DESIGNING & CONSULTING ENGINEERS  
PORT ARTHUR. ONT.

"Since when has it become a national disadvantage to have a trade balance securely in our favour?

"Since when has the prosperity of our great agricultural sections been other than a national asset and a direct stimulation to production in our country?

"Since when has that agricultural prosperity failed to directly reflect its own prosperity from remunerative prices into other American lines of activity?

"During this coming year we must supply large quantities of food. The sale price of that food, in view of the unusual influences that prevent a full and fair reflection of a world's price freely made by supply and demand, is a question of serious consideration. "The average price received by the American grower for wheat under the stabilized basis for the past two years has been \$2.06 per bushel. The average price received by the British grower in the same period, according to their official reports, has been \$2.28 per bushel. The guaranteed prices for the other consuming countries for the present year run as follows:

France.....	\$ 3.96
Spain.....	3.96
Italy.....	4.34
Holland.....	3.23
Norway.....	4.52
Portugal.....	6.43

while the one importing country of the Western Hemisphere—Brazil—has a guaranteed price to its growers of \$2.62. If these countries, most of whom will produce a larger yield per acre, consider those prices fair assurances to their growers, can they, with good grace, object that an American price of \$2.26, netting our farmers \$2.06, is taking advantage of their necessities?"

By the provisions of the Lever Bill the President was empowered to prohibit the export of wheat and flour to any country. It will be interesting to recall that when the reason for this provision was asked in the Senate, Mr. Barnes said: "Fear existed that if the power to prevent exports were not included in this bill there might be an arrangement abroad not to take our wheat except at a price so low that it would not be justified by world conditions and at a price so low that it would enormously aggravate our burden. The power to prevent its export was included in this bill in order that if any effort of that sort should be made abroad we would refuse to let them have the wheat they did need until they consented to take such supplies of wheat as they required at a reasonable price."

"Each for himself and God for all, as the elephant said when she danced among the chickens." If Mr. Barnes had expressed himself thus he could not have intimated more plainly what will happen to Canada if, wholly unprepared, she finds herself in a situation where her interests, as a nation seeking a market for her crop, come into conflict with those of the United States. There is a club ready for us in section 6 of the Lever Bill which provides that:

"Whenever the President shall find it essential in carrying out the guarantee aforesaid, or to protect the United States against undue enhancement of its liabilities thereunder, and shall make proclamation thereof, it shall be unlawful to import into the United States from any country named in such proclamation, or to export from or ship from or take out of the United States to any country named in such proclamation wheat or wheat flour except at such times and under such regulations or orders, and subject to such limitations and exceptions as the President shall prescribe, \* \* \*

The significance of this provision will be appreciated when it is remembered that in normal times about two-thirds of Canada's exportable surplus finds its way to market through United States channels. War-time restrictions have limited the southerly movement of the Canadian crop. In this legislation we see the machinery for continuance of such restrictions and even for total prohibition of such movement. No Canadian wheat or flour is now admitted to the United

States for consumption. The importation of seed wheat has been stopped and applications for permission to import Canadian wheat for milling purposes are being disregarded by the United States Food Administration. *The Toronto News*, upon receipt of this advice from its Washington correspondent recently, made certain inquiries at Ottawa and elicited the following information: "The Canadian Department of Agriculture is not surprised at the restriction which the American Government has placed on the importation of wheat into the Republic. Having guaranteed the price of wheat, which will probably result in an enormous loss to the American Treasury, the American Government naturally wishes to preserve the home market for its own farmers. Recently they have stopped seed wheat entering the United States from Canada."

The Ottawa correspondent of *The Toronto News* adds: "It is admitted at Ottawa that if the restrictions are continued this fall it may be a serious matter for the Dominion and may result in the worst blockade in the history of Canada."

Is it to be wondered at that those who are familiar with the foregoing facts and considerations should feel impatience at the complacent attitude of the authorities at Ottawa? Despite the absence of any assurance of the Government's intention to take control of the situation, it must be assumed—because the matter is one of such vital concern to the Dominion—that suitable provision is being made and soon will be announced. It will not be easy, however, to explain or excuse the long delay.



Grain vessels leaving Port Arthur at opening of navigation.



## Farm Implement Duties and Prices

Among the many advertisements by which the organized manufacturers have sought recently to influence public opinion against the tariff proposals of the Farmers' Platform is one which pretends to deal with the duty on farm implements and its effects. The advertisement appeared, not over the name of the Canadian Manufacturers' Association but over that of the Canadian Reconstruction Association—the straitest of the sect of Protectionists whose selfish propaganda is carried on under a transparent guise of disinterested and patriotic effort. The pose of this body, which performs under the skilled direction of Sir John Willison, is one of grave concern for the fate of a country which may give ear to the demands of the Canadian Council of Agriculture. Its purpose is to persuade the Canadian public that even a fractional reduction in the height of the tariff wall at this time must result in "plague, pestilence and famine, battle, murder and sudden death."

Sir John Willison is "Devilish sly, Sir," and his advertisement dealing with "Farm Implement Prices and Duties" is one of which we may assume that he is especially proud. It has only two defects; one is that the facts which it presents are not facts and the other is that if they were facts they would themselves afford excellent basis for argument in favour of the immediate repeal of the implement duties.

The appeal, however, is one which is carefully calculated to catch the unsuspecting reader who has only a slight acquaintance with the matters discussed and knows little of the complexities of tariff argument. To begin with, there is nothing in the advertisement to apprise him of the fact that it is paid for by and prepared under the direction of, manufacturers who personally profit by the maintenance of the protective system. It appears simply as a pronouncement of the Canadian Reconstruction Association and expresses itself with an air of peculiar detachment and impartiality. "There is a wide difference," we are told at the onset, "between statements of Western Grain Growers and the manufacturers relative to the prices of Canadian-made agricultural machinery and comparable implements produced in the United States." Then it appears that the Canadian Reconstruction Association, inspired by motives wholly disinterested and with an eye single to the settlement of this dispute, in the interests of wise statesmanship, "has made an investigation of such prices at a number of points in Western Canada and at places directly south in the North-western States." The results of this investigation are then presented to the reader. They are advanced with a diffidence foreign to the manner of this champion of the protected interests. The reader must determine whether this is due to some saving grace of self-respect in the writer or whether it is designed to heighten the effect of impartiality and judicial detachment from the violence of debate. Thus, we read that:

"In some cases agriculturists in Manitoba appear to pay more than is paid by farmers at points directly south in the United States, but such does not seem to be true of farmers generally in Western Canada.

"The price at Havre, Montana, appears to be \$185.00, as compared with \$168.00 at Maple Creek, or any other point in South-west Saskatchewan."

Since this advertisement was published other investigations have been made, giving results which justify the conclusion that here, once again, "things are not what they seem." The Canadian Reconstruction Association, for the purposes of this inquiry, intended to establish conclusions about implement prices and duties, used the standard 7 foot binder, comparing one-payment prices at points selected on either side of the border, places in many instances a hundred miles apart. And the conclusion reached is that farmers West of Manitoba purchase binders "at lower prices than do farmers in places directly south in the United States." The reader is expected to take these statements as conclusive evidence



that the protection afforded to Canadian implement manufacturers by the tariff does not enhance the cost of their product to the Canadian purchaser.

Following the publication of this advertisement *The Regina Leader* made a similar investigation, at once more comprehensive in its scope and in conditions affording a basis for more just comparison. The Canadian Reconstruction Association concerned itself, except for a passing reference to wagons, only with the 7 foot binder, although this type is in small demand throughout Saskatchewan, where the 8 foot binder is in common use. *The Leader's* inquiries covered prices of representative implements and its figures were obtained from a dealer in agricultural implements and machinery doing business on both sides of the border in two towns, separated only by the international boundary line, where freight rates are identical and the duty is the only factor operating in the determination of differences in prices. And these figures, quoted below, show very clearly that the duties affect prices to the disadvantage of the Canadian farmer:

	U.S. Price		Canadian Price	
	Cash	One payment	Cash	One payment
8-foot McCormick binder and hatvester with bundle carrier and truck.....	\$250.00	\$260.00	\$263.00	\$273.00
5-foot McCormick mower, heavy frame.....	83.00	90.00	93.50	98.00
20 single disc drill with 4 horse evener.....	180.00	190.00	207.00	220.00
Disc harrow, 16x16 size.....	70.00	75.00	76.00	80.00
Cream separator, capacity 650 lbs.....	75.00	80.00	97.00	103.00
2½ H.P. I.H.C. stationary skidded gas engine	140.00	145.00	178.00	194.00
14 in. gang plow furnished with steel 5-horse evener.....	135.00	145.00	156.00	166.00
	\$933.00	\$985.00	\$1070.50	\$1134.00

Hardly less instructive in the evidence which it provides of the effect of duties on prices is an examination of the records filed with the Provincial Government under the terms of The Saskatchewan Farm Implements Act, which requires that all implement concerns doing business in this province must file price lists. Most of the companies operating from below the boundary line use their American catalogues for this purpose, with statements attached indicating the Canadian prices.

The catalogue of the International Harvester Co., covering repairs for Hoosier grain, oats and other drills, seeders, etc., carries on the face of it this notice: "Prices in this catalogue have been advanced 85 per cent. for Canadian retail prices." A similar notice is attached to the Buffalo Pitts Co., Buffalo, N.Y. The catalogue of Reeves separators, stackers and self-feeders, used by The Emerson-Brantingham Co., says: "Add 35 per cent. for Regina prices." The same Company's catalogue covering its E.B. 12-20 Model A.A. Tractors says: "Add 35 per cent. for Regina prices," and also carries this notice in red ink: "On account of increase in duty it has been found necessary to increase our prices on repairs 10 per cent."

The Advance-Rumely Thresher Co., having filed their price list, wrote the Department under date of March 7, 1919, saying: "One of our tractors that we have recently been getting into Canada free of duty has been placed in the class of dutiable engines so that it is now necessary for us to increase the price of our 16-30 Oil Pull Tractor from \$2,530 to \$2,900 f.o.b. Regina."

The evidence establishes conclusively the very real relation which exists between farm implement duties and prices. The exercise of common sense, however, without reference to the actual figures would have given the same result. The Canadian Reconstruction Association argues that the duty is needed to preserve the home market for the Canadian manufacturer. The home market can be preserved by duties only when those duties operate to exclude by enhancement of prices the product of foreign manufacturers. It follows, therefore, that in so far as the home market is preserved for the Canadian manufacturer, the Canadian purchaser pays more than he would pay under free competition. This law is fundamental and no juggling with figures can conceal the method of its operation from any but the fool or the person who is indifferent.

The advertisement under discussion contains the boast "the United States and Canada are the two lowest cost producers of agricultural machinery in the world." And the Canadian trade returns show that Canadian manufacturers of farm implements and machinery are well able to look after themselves in competitive markets abroad. During the fiscal year ending March, 1918, ploughs of Canadian manufacture to the value of \$1,197,000 were sold abroad and the total value of Canadian exports of mowers, cultivators, reapers, drills, harvesters and binders, ploughs and harrows, was \$3,393,258; and in these seven classes of implements the value of Canadian exports exceeded that of imports in all except ploughs and harrows. The industry, therefore, cannot easily be made to appear as a helpless infant, dependent for its existence upon the protecting hand of the tariff.

Perhaps, after all, the cautious phraseology of Sir John Willison's statement—with such recurrent expressions as "it seems," it would "appear," "it is stated" and "we are assured"—is to be accounted for by the consciousness that the duties on farm implements are the least defensible of all those duties which the manufacturers are desirous to retain. For it is a just observation that no defence can be made of an arrangement which compels the farmer to lay out more of his capital in the purchase of the tools of his industry than is absolutely necessary. "Whether import duties which have this effect are protective of native industry or not," declared *The Manitoba Free Press* recently, "they form an injurious tax upon the capital engaged in farming; they act as a deterrent to industry and render more difficult the extension of the mutually beneficial relationship between the rural and urban populations."

The occasion of this pronouncement was an address delivered in Winnipeg during May by Dr. Adam Shortt. Dr. Shortt is probably the most eminent of Canadian authorities in the science of political economy and in this field offers testimony the disinterestedness of which none will suspect. Discussing the problems which may be indicated most conveniently by the term "Reconstruction," Dr. Shortt advanced the view that the essential task is to extend the field of production of the necessities of life, "the first of which, alike for domestic and foreign consumption, is that of food." Together with much else of great interest, though without any direct bearing upon the theme of this article, he said:

"It is essential, therefore, that he (the farmer) should be able to obtain capital at as low a rate as is consistent with the reasonable security of his investment. He should also be able to obtain his machinery at the lowest possible costs for a reliable article. He should not, therefore, be handicapped by a tariff which compels him not only to increase his capital outlay but to pay interest upon this for a considerable time. Such an added burden can have no compensating importance for the national revenue, and should not be exacted by the Canadian manufacturers with such a very large market before them—a market which should be encouraged to become larger still."

This is the sound view, which needs only to be stated in order to expose Sir John Willison's specious arguments and garbled facts.

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## HOUSES FOR COMPANY'S EMPLOYEES

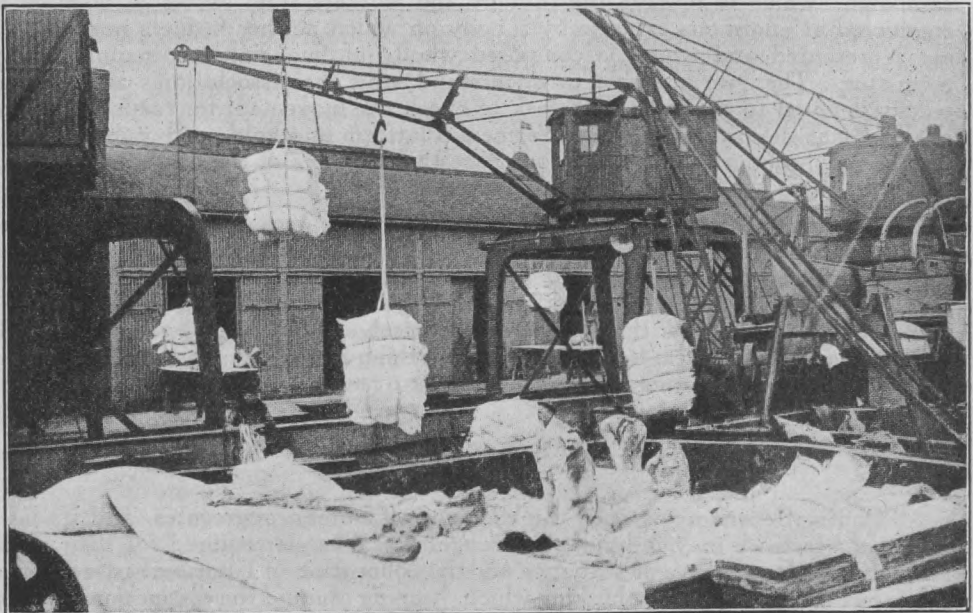
At a meeting held on May 20th the Board of Directors approved a proposal to meet the needs of married members of the Company's office staff, for whom the shortage of houses in Regina is presenting a serious domestic problem, by the erection of residences on a block to be purchased from the city for this purpose. Work will commence at once, under the direction of Mr. N. E. Knudtsen, the company's engineer and it is expected that twenty-one residences will be ready for occupancy in the near future. The plans under consideration call for four different types of residences, varying in size to meet varying needs. They will be rented to employees of the company on the basis of actual cost.

## The "Reconstructionists" and the Farmers

While it may be true that "A rose by any other name would smell as sweet," there are many people with a defective sense of smell, and if you led them without light into a conservatory filled with "the sweetest flower that blows" and told them they were in a dirty hen roost, they would soon ask to be taken out into "God's fresh air." The organized manufacturers of Canada had observed this fact before they organized The Canadian Reconstruction Association. In their experiment, the process which we have indicated has been reversed. The principle, however, is the same, and the experiment depends for its success upon the virtue of a name.

For some time past "Reconstruction" has been a name to conjure with. Everybody has taken for granted that we must come out of the war into a changed world. Nobody knew quite what that world would be. A year or two ago the more optimistic folk thought it would be a new heaven upon a new earth. Others, who were accustomed to look honestly at ugly facts, had an uncomfortable sense that while the new world might differ from the old the differences would lie chiefly in the greater number and difficulty of its problems. All were agreed, however—whether they looked forward with hope or apprehension—in speaking of the necessity of reconstruction. In the later days of the war the word was a boon and a blessing to bewildered politicians; tricked out in a liberal display of rhetorical finery it lulled the discontented into temporary sleep. Soon or late, of course, people will see that if "Reconstruction" means anything it must refer to certain specific, radical things that must be done. In the meantime, however, it retains not a little of its original virtue of vagueness and, if uttered with sufficient solemnity in a few well-rounded periods, makes most of us feel as when we sit in church.

What finer name, then, for an organization desiring to influence public opinion, than "The Canadian Reconstruction Association?" Rolled over the tongue



Unloading flour into one of the steel and iron warehouses of a dock at Copenhagen, Denmark.



it conveys the very finest flavour of patriotism. Thus camouflaged, even the organized manufacturers might expect to "fool all the people some of the time and some of the people all the time." Fortunately, however, it is not possible to fool "all the people all the time."

There must be few people who do not know that the Canadian Reconstruction Association, with Sir John Willison, a journalist of exceptional ability, as its paid president, is but the extremist wing of the Canadian Manufacturers' Association. Its brief history has been not uninteresting. It began as The Canadian Industrial Reconstruction Association, but the word "Industrial" was properly thought to convey the impression of a special interest in certain commercial activities and so, quite early in the campaign of advertising which has been conducted, it was dropped without comment or explanation, in favour of the all-embracing vagueness of the present title. Another interesting and significant development was the early disappearance from these advertisements of the names of the directors. A list which included such names as that of Lord Shaughnessy and his successor to the presidency of the C.P.R., Mr. E. W. Beatty; W. J. Bulman, president of the Canadian Manufacturers' Association; T. H. Russell and H. D. Scully, of Toronto, president and secretary respectively of The Russell Motor Car Co., which has operated one of the large munition plants during the period of the war—such a list, while impressive in its suggestion of common and powerful financial interests, was not calculated to convince the public of the disinterested character of appeals made for the maintenance of a high tariff. Thus, the names of the directors went the way of the word "Industrial" and now nothing appears to point to the inspiration of the advertisements save the fine sounding title.

The platform of the association would be most impressive if viewed without a side glance at the personnel of the body by which it is advanced. Take the following, for instance:

"To create a good economic understanding between East and West, and to show the necessity for industrial stability in order that excessive taxation may not fall upon the farmers and workers."

But it is a vastly different proposition when we know that this "educational campaign" which is to save the farmers and workers from excessive taxation is conducted at enormous expense by a body on which neither farmers nor workers are represented and which is composed wholly of financial and manufacturing magnates. Then we are able to understand why the association's advertising, wholly devoted to appeals which seek to check the movement for tariff reduction, misrepresent the proposals of the Farmers' Platform and hold up to public execration as revolutionaries of a dangerous type the members of the Canadian Council of Agriculture.

The members of the Canadian Reconstruction Association are, of course, concerned in nothing that can be justly termed reconstruction. They stand as the champions of the existing order, worshippers of the God of things as they are. Their prayer is that Canada may be kept safe for the profiteer and, in the belief that Heaven helps those who help themselves, they are quite willing to go on helping themselves so long as there is anything left to take. And in this fight with the organized farmers they are ready to sacrifice, if not the last man, at least the last ill-gotten dollar.

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"Political economy is only the economy of human aggregates, and its laws are laws which we may individually recognize. What is required for their elucidation is not long arrays of statistics nor the collocation of laboriously ascertained facts, but that sort of clear thinking which, keeping in mind the distinction between the part and the whole, seeks the relations of familiar things, and which is as possible for the unlearned as for the learned." *Henry George.*

## Sentiment and the C.M.A.

(By E.C.D. in Saskatchewan Newspapers)

An unsuspecting stranger, reading some of the tariff campaign literature of the Canadian Manufacturers' Association, might be excused for supposing that its members are merely incurable sentimentalists. Those of us who know them better must conclude that they are gentlemen who think themselves very astute, and who think of the farmers of Canada as people with very soft hearts and very much softer heads.

This reflection follows perusal of a full-page advertisement which appeared recently in the newspapers of almost every city of the Dominion. It is a triumph of that sort of newspaper work which is done by the lady known in the language of yellow journalism as the "sob sister." Her duty is to harrow the feelings of the jaded reader. She must take life as it is and translate it in terms of filmland. Facts are but the raw material with which she works. The fictional process is that by which she smears the facts with pathos. And the finished product is expected to operate upon the tear ducts with as much effect, though with less painful irritation, as a Spanish onion newly cut.

Sir John Willison, in pursuance of his duties as stage manager of the great patriotic melodrama which the C.M.A. is presenting to the people of Canada, and the purpose of which is to make Canada safe for the profiteer, has evidently borrowed from the Hearst newspapers one of the ladies trained to this work. Her assignments have been to tell the story of the "alliance" which is supposed to have existed for forty years between the farmers and the manufacturers of Canada, and of a base attempt to bring their settled happiness to miserable wreck. When one considers the limitations of a "full page ad" as compared with the wider scope of the screen, it must be admitted that the story is a veritable triumph of melodramatic art. Its appeal is addressed particularly to the farmers who are not members of the several Grain Growers' Associations. Like all good movie stories, it has a moral, and the moral is that all good farmers will continue to love and cherish the Canadian manufacturers in spite of the evil effort of the villains of Canadian public life to alienate their affections.

"Farmers!" this advertisement shrieks in its largest black-faced type. And when the attention of the unorganized farmers is supposed to have been secured, it adds in tones of agonized pathos: "For forty years we have been allies." Then in tenderest accents, it reviews the period of wedded bliss. The early years of struggle are recalled with just the right romantic allusion to those sweet affections which alone made them tolerable. And so we are brought to more recent times, in which, by virtue of this alliance, the farmers are supposed to have been enabled to make "piles of money" and the manufacturers a little less, though still enough for their modest needs. There follows a reference to the many hundreds of thousands of people to whom the manufacturers are glad to pay high wages in order that they may be able to pay generously for the farm products which they purchase.

Then the approach of the villain is announced. "How a minority seek to sever our alliance." These words are flashed on the screen and the Canadian Council of Agriculture, with its proposals for the reform of the Canadian fiscal system, is introduced.

The reader must imagine the council in most villainous aspect—Wood, Maharg, Langley, Musselman, Henders and their associates—with heads together, plotting the ruin of a happy home. Their motive, it appears, is the very basest. "The Prairie Grain Growers," we are told, "are urging the government to throw down the tariff wall between Canada and the United States because they want to save a little money (mainly on freight rates) by buying from the United States manufacturers just south of them." And, because truth, though sometimes stranger than fiction, does not always serve as well the purposes of the self-seeking, to this statement is added certain gross misrepresentations of the taxation proposal

of the organized farmers. These proposals, which seek to adjust the burden of taxation so that it shall be proportioned more nearly to the ability to pay and shall provide more revenue for the public treasury and less for the profiteer, are represented as an effort to relieve the farmer of his responsibilities as a taxpayer. And this, say the manufacturers in their address to the unorganized farmers, is "the inducement they are using to get you to forsake us and follow the free trade prophets no one knows where."

And to complete the indictment of the organized farmers we have the statement that "The Prairie Grain Growers' Associations are dominated by a group of free traders whose one idea seems to get free trade all over the world."

To state fairly the taxation proposals of the Canadian Council of Agriculture would be to make that body appear less than villainous, and, therefore, rob the story of its pathetic appeal. How much less desperately wicked would it appear if the public were told the simple truth that the demands of the Farmers' Platform are, not for free trade, but for the collection of a larger proportion of the country's revenue by direct taxation? And how much less villainous would the organized farmers appear if it were more generally understood that almost all the tariff reductions which they seek would give relief from extortion through high prices which industrial workers suffer not less than the farmer?

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### W. J. LAWLESS APPOINTED DIVISIONAL SUPERINTENDENT

W. J. Lawless has been appointed Divisional Superintendent in the Operating Department and has assumed the duties of this position at Head Office. Mr. Lawless succeeds Mr. O. M. Cleveland, who, after an association with the company as superintendent which dates from 1912, left its service in May to join The N. Bawlf Grain Co. at Calgary. The new Superintendent has been with the Company since 1912, rising to his present position through all grades. At the time of his recent appointment he was Travelling Superintendent in the Swift Current district. Mr. Lawless hails from Liverpool, England, where he was engaged for two years in the grain business. He came to Canada in 1905 and before joining the staff of this company was engaged in farming.

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"The direct effect of a tariff is to restrain the people of the country that imposes it. It curtails the freedom of foreigners to trade only through its operation in curtailing the freedom of citizens to trade. So far as foreigners are concerned it only indirectly affects their freedom to trade with that particular country, while to citizens of that country it is a direct curtailment of the freedom to trade with all the world." *Henry George.*

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"I have always been among those who believed that the greatest freedom of speech was the greatest safety, because with a fool, the best thing to do is to encourage him to advertise the fact by speaking. It cannot be so easily discovered if you allow him to remain silent and look wise." *President Wilson.*



## A Survey of the World's Wheat

The following is the concluding article in a series embodying a detailed survey of the world's wheat markets, by the eminent British authority Sir James Wilson K.C.S.I.:

According to these estimates, which are necessarily in many cases only rough approximations, the world's wheat position on 1st February was that the U.S.A., Canada, the Argentine, and Australia had between them an actual exportable surplus of 153 million quintals of wheat (15.3 million tons), while all the importing countries in the world are not likely to import more than 78 million quintals during the six months February to July, leaving an exportable surplus on 1st August next of 75 million quintals, which would be enough to meet the demand from abroad of all the importing countries in the world at their pre-war average rate of import of 167 million quintals per annum for more than five months, without drawing on future harvests. On 1st August next Britain, France, and Italy will have reduced their carry-over of old wheat to something like the pre-war average carry-over. The U.S.A. and Canada will have sent over to Europe all the wheat they can spare, and will have a minimum carry-over. Of the 75 million quintals of exportable surplus remaining on that date, there will be about 40 million quintals in Australia and 30 in the Argentine.

By 1st October next, if the weather between now and then is not unfavorable, Britain will have reaped a harvest of 24 million quintals, as compared with the pre-war average of 16, and although the total yield of wheat in France, Germany and Austria-Hungary will be much below their pre-war average yield, all the importing countries in the world, which on the pre-war average imported net 167 million quintals per annum, are not likely to import from abroad in the year ending July, 1920, so much as 200 million quintals, even if there is a great fall of price. By 1st October the U.S.A. will be in a position to spare for export something like 120 million quintals. Canada will have an exportable surplus of about 50 million quintals. The Argentine will have in hand, available for export, 30 million quintals, with the prospect of a further probable 30 million quintals of exportable surplus from the harvest to be reaped next December. Australia will have on hand 40 million quintals, with the prospect of an additional 15 million quintals of exportable surplus from its harvest of next December. If the coming monsoon is not unfavorable, by next October prices in India may have fallen, and India may be found in a position to spare a considerable quantity of wheat for immediate export, and may also be able to spare from her harvest to be reaped in May, 1920, at least as much as she exported on the pre-war average (13 million quintals). Roumania and Russia, which on the pre-war average exported 60 million quintals, may be able to export during the next cereal year something like 20 million quintals; and a small allowance must be made for possible export from other countries. Altogether then, present probabilities are that while during the cereal year, 1919-20, all the importing countries in the world taken together are not likely to import so much as 200 million quintals, on 1st October next the U.S.A. (120), Canada (50), the Argentine (30), Australia (40), other countries (5) will find themselves in actual possession of an exportable surplus amounting to 245 million quintals, with the prospect of an additional 80 million quintals of exportable surplus to become available during the year from the Argentine, Australia, India, Russia, and Roumania, and with the probability that on 1st August, 1920, the carry-over of exportable surplus in the world will have increased from 75 to 125 million quintals. There is thus likely to be a strong competition between the exporting countries to get rid of their embarrassing surpluses.

By 1st October next Europe will have reaped a new harvest, and will have sufficient food in hand to meet her needs for some months to come. The extreme urgency of her demand for food imports will therefore be, for the time, at an end.

By that date also the bulk of the overseas armies will have been repatriated, and practically the whole of the world's merchant shipping will be available for purposes of ordinary trade. The total amount of the world's merchant steamer shipping will by that time be considerably larger than it ever was before, and the demand for ocean transport for all purposes will be less than the pre-war average demand. Ocean freights, therefore, are likely to have fallen to something like double the pre-war average level, and war risk insurance will no longer be payable. It may, therefore, be expected that it will be possible to bring wheat to Europe at something like the following rates per quarter—from New York, 3/-, Buenos Ayres, 6/-; Karachi, 8/-; Australia, 12/-.

The whole of Australia's exportable surplus will be under the control of the Australian government, which has apparently guaranteed a price of 34-8 per quarter to farmers for next season's wheat. She has recently been selling small quantities of wheat at about 46/- a quarter, but may, by 1st October, when the urgency of importing countries is over and the competition of exporting countries keen, be willing to sell wheat in large quantities at 38/-, the price at which she sold 30 million quintals in 1917, or even at a lower price, as the pre-war average price was only 31/-. Australian wheat then may be landed in Europe at a total cost of less than 55/- a quarter.

The Argentine government have recently fixed 51/- a quarter as the minimum price of wheat for export; but the quoted price for wheat to be delivered at Buenos Ayres in April is only about 45/- a quarter, and as the pre-war average price was only 31/- a quarter, and as wheat in the Argentine rapidly deteriorates, the holders of wheat in the Argentine and the government may, by 1st October, be willing to sell their wheat at 40/- a quarter or less, in which case wheat from the Argentine may reach Europe at a total cost of less than 50/- a quarter.

After two bumper harvests and a small export there must have been a great accumulation of wheat in India last August, and, although a considerable portion of the surplus then existing is likely to be consumed in India owing to the very small yield of the harvest now being reaped, and although famine conditions have sent up the price of wheat at Karachi to 63/- a quarter, as compared with the pre-war average price of 31/-, it is quite possible that, if the next monsoon proves favorable or normal, by next October famine conditions will be at an end, and India may be found still to have an exportable surplus of wheat. If the price of wheat at Karachi falls to 45/- or less, as it may well do, Indian wheat may be obtainable in Europe at a total cost of less than 55/- a quarter.

The large exportable surplus of the next harvest in the U.S.A., which I have estimated at 120 million quintals, will be under the control of the government which has been granted a credit of £200,000,000 to finance the purchase and sale of the whole wheat crop. The government has guaranteed to the farmers a price of 75/- per quarter in Chicago, and will be reluctant to sell the wheat at less than that price; but if by that time it is found to be in possession of 120 million quintals of exportable surplus, and if it then appears that there is a large world's surplus of wheat after allowing for the probable requirements of the importing countries, it will find it difficult to keep up the price. The American consumer will demand his wheat at a reasonable world price, and although there is some talk in America of keeping a very large quantity of wheat in reserve, the American people do not seem likely to sanction the formation by their government of such a gigantic corner in wheat, more especially as the financial results of such a policy would be problematical. It seems probable, therefore, that the American government will find it expedient to sell the greater part of their huge surplus at the world's price, and if Europe can obtain wheat from other exporting countries at 55/- a quarter c.i.f. or less, U.S.A. wheat may soon be available at a corresponding price. The selling price of wheat at Chicago may then go down to less than 135 cents per bushel (45/- per quarter), as compared with the pre-war average of 90 cents (30/- per quarter), and the American taxpayers may find that, under the guarantee given by their government, they will have to pay something like

90 cents per bushel to the American farmers on a possible total yield of 1,100 million bushels (300 million quintals), making a total subsidy of something like £200,000,000.

The Canadian Government have so far given no guarantee to the Canadian farmers as to the price to be received by them for the next season's crop, and Canada will probably be compelled by world competition to sell her surplus wheat at something like the price obtainable by the United States.

As regards Britain, it appears from an official statement made in the House of Commons on 20th March that the Government intend, in carrying out their guarantee of a minimum price for the wheat of the 1919 harvest, to adopt the principle of The Corn Production Act: that is, everyone will be left to sell his wheat at the market price, the average price for the whole country will be taken to be the average of the actual market prices for the seven months September to March, as ascertained under The Corn Returns Act, and the Government will pay to each farmer for every acre he has grown with wheat four times the difference between that average price and 72s. per quarter of 480 lbs. If, as seems probable, by 1st October next, foreign wheat can be imported into the United Kingdom at a c.i.f. cost of 55s. a quarter, the average market price of home grown wheat as calculated may be about 50s. a quarter, in which case the British taxpayer will have to pay the British farmer 88s. for every acre sown with wheat; and if the area sown is approximately to that sown for last harvest, say 2,800,000 acres, the subsidy payable to the British farmers on their wheat area will be about £13,000,000. On the other hand the actual cost of the 4 lb. loaf, which is apparently at present about 13d., would fall to about 9d., and the subsidy, which is now paid in order to keep its price at that figure and which is estimated to cost the British taxpayer £50,000,000 a year, would automatically cease to be payable.

In the above rough estimate, I have allowed the exporting countries considerably higher prices than they obtained for wheat before the war, and it seems quite possible, especially if the world's weather proves favourable, and the yields are better than the average yields on which I have reckoned, that the exporting countries, in their competition to get rid of their embarrassing surpluses, may accept lower prices than I have mentioned, in which case, before next spring, foreign wheat may be selling in Britain at less than 50s. a quarter, and home-grown wheat at not much above 40s. a quarter of 480 lbs., as compared with the pre-war average of 32s.

Unless the world's weather proves unfavourable, or the present unrest in Europe spreads seriously, there seems likely to be very soon a further fall in ocean freights, and in the course of a month or two a fairly rapid fall in the prices of wheat in most of the "open" countries of the world, both importing and exporting.

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## The War Profits of the Farmer

(By E. C. D. in *The Regina Leader*)

Figures recently given out by Sir Thos. White, in response to a question asked from the floor of the House of Commons, respecting assessments made for income tax to be paid by farmers, afford illuminating comment upon the widespread belief that Canadian farmers have been made prosperous by the war.

The small profit possible to the average farmer before the war was notorious. It is true that in the heat of a tariff controversy partisans of the protectionist cause, lacking reasonable argument, would sometimes resort to gibes at the farmers on the score that many of them were able to use automobiles. Most people, however, were familiar with the fact, established conclusively by the investigations of the Saskatchewan Grain Markets Commission, that the return made to the average grain grower was utterly inadequate to compensate him for his investment of money and labor. And if any one supposes that the eastern farmer was much



more fortunate he can be referred to the significant fact that, in the decade ending 1911, the rural population of Ontario declined by 152,000.

But many people suppose that, in the conditions created by the war the lot of the farmers must have been greatly improved. According to the Dominion Government's last monthly bulletin of Agricultural Statistics the average price received by Canadian farmers for wheat in 1913 was 67 cents while for 1918 it is given as \$2.02.

A startling advance, only if one can conveniently forget that the lessened purchasing power of the dollar affects the farmer as much as the industrial worker.

The impression that the farmer has been especially prosperous during the last few years depends, however, on the popular notion that he has derived an advantage from the fixed price of wheat. In spite of facts which have been presented again and again and of events which are too recent to have been forgotten by anyone who regarded them with attention, the belief persists that the price was fixed for the benefit of the farmer. Everyone should know that this act of the Government was dictated by consideration for the European consumer and that the farmer, so far from profiting by governmental interference with the normal course of his business, represents the one industry in Canada whose profits were held down by such action.

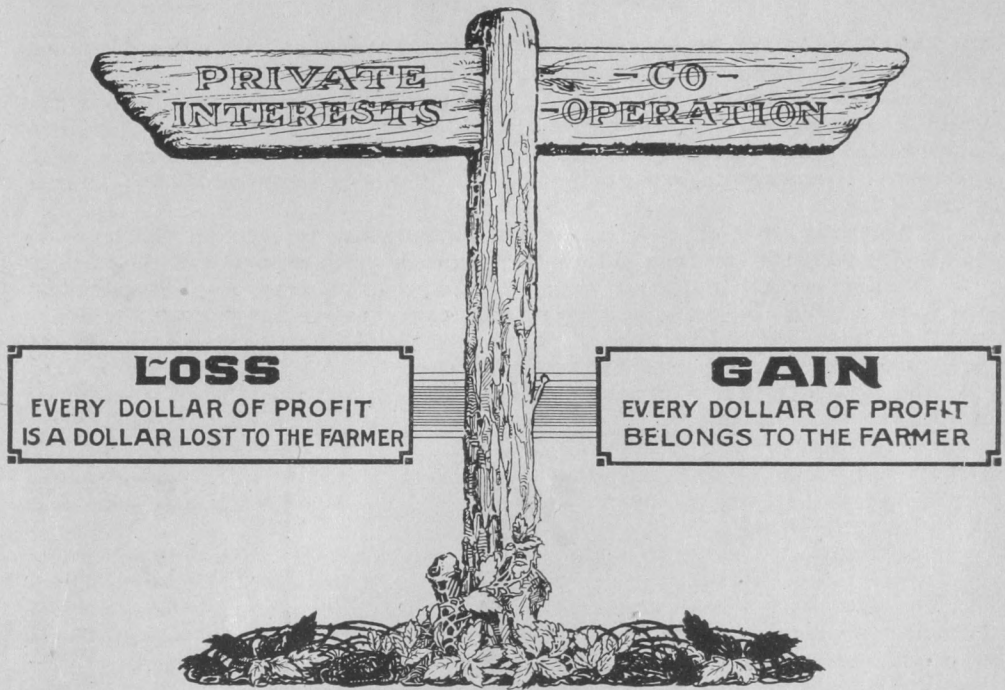
Contributing to the general impression it is necessary to note the propaganda of the Canadian Manufacturers' Association. It has been the studied effort of this body in its recent campaign to discredit the demands of the organized farmers for a revision of the fiscal system by representing them as war profiteers who seek more profit. During the discussion of the proposal for a fixed price on the 1919 wheat crop the protectionist press, with most persistent malice, presented the farmers' demands in this light. More recently the Canadian Manufacturers' Association has laboured to the same end through the full page advertisements which it has published in the press of the Dominion. Characteristic of such propaganda is the following, from an advertisement which appeared in every part of Canada:

"What justifies the grain growers in demanding that their personal grievances be cured at the expense of the rest of the country? Are they in a desperate position? Have they been losing heavily? Are they suffering from too much adversity or too much success?"

But Sir Thos. White has supplied us with authentic information respecting the profits made by farmers during one of the years of the war period. In response to a question put by Sir Herbert Ames a week ago, Sir Thomas stated that 5,888 persons "giving their vocation as farmers or stock raisers" had been assessed under The Income War Tax Act, 1917. The Act provides for the taxation of unmarried persons drawing incomes in excess of \$1,000 and of married persons drawing incomes in excess of \$2,000.

The number given includes all those who are engaged in ranching or farming on a large scale in Canada, as well as the numerous body of persons who, living on farms during part of the year and deriving income from other sources, like to call themselves farmers. The total assessment was \$417,349 and of this amount \$219,823 had been paid.

If any evidence were required to show that "There's something rotten in the state of Denmark" it is to be found in these figures respecting the country's greatest productive industry. And, as *The Farmers' Weekly Sun* justly remarks: "There is not even the comforting thought left us that food is being produced cheaply enough to give the other people of the Dominion the benefit of the losses to the farmers. Under the high protective tariff of Canada the profits go into the pockets of the, comparatively few, 'captains of industry,' and not to the common people."



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**RIGHT or LEFT?**

**RIGHT is MIGHT**

**KEEP to the RIGHT**

**and**

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